

CITY OF CORVALLIS
COUNCIL WORK SESSION MINUTES
June 7, 2016

The work session of the City Council of the City of Corvallis, Oregon, was called to order at 3:30 pm on June 7, 2016 in the Madison Avenue Meeting Room, 500 SW Madison Avenue, Corvallis, Oregon, with Mayor Traber presiding.

I. CALL TO ORDER

Present: Mayor Traber; Councilors Baker, Beilstein, Brauner, Bull, Glassmire, Hann, Hirsch, Hogg, York

II. SUSTAINABLE BUDGET TASK FORCE NEXT STEPS

Finance Director Brewer reviewed the staff report. Councilor Brauner said Task Force Leadership concurred with staff's recommendations.

Councilors discussed revenue sources such as utilities, fees placed on utility bills, gas taxes, property tax revenue, and potential revenue sources such as local sales taxes, business license fees, and a marijuana tax. Also mentioned was exploring what revenues outside of property tax collections, such as an employer payroll tax, could be added. Another suggestion was evaluating whether some services could be moved out of the General Fund by identifying a revenue source other than property taxes. Funding of City services should be shared by all residents, not just property owners. In addition to identifying revenues to stabilize existing services, Council may also evaluate whether to add new services, such as assisting with low income housing. Any revenue sources that required voter approval would likely not be on the ballot until 2017.

Councilors also discussed the timing of soliciting input from the community. They agreed it was appropriate to conduct early outreach to build public awareness. Clearly articulating why property tax revenues were not keeping pace to support existing General Fund services is important. A separate survey would be needed later in the process to gauge the level of community support for various revenues and service levels. Councilor Hann noted that Corvallis already has a higher cost of living than the national average and expressed concern about revenue streams that would disproportionately affect people who were already struggling financially with housing and other costs.

Councilors agreed with staff's recommendations to place a marijuana tax on the November 2016 ballot, direct the Sustainable Budget Task Force to prioritize revenue alternatives, wait to prioritize expenditure reductions until after Council goal work is substantially complete, and for the Task Force to work with staff to identify a consultant to develop a survey to gather community input. The Task Force will continue to check in with the Council as their work progresses. Councilor York asked that both the priorities and the analysis behind the priorities, including methods used, are clearly communicated in reports to Council. Councilor Glassmire supported the prioritization analysis and asked that the Task Force solicit Council input on the criteria.

III. THIRD QUARTER OPERATING REPORT REVIEW

Ms. Brewer said the items in yellow highlight indicated areas to watch, and Funds on the watch list were also being examined by the Sustainable Budget Task Force. Many Funds have slow

revenue streams, but rapidly growing expenses. For example, 911 Emergency Communications, Police, and Fire need more staffing; however, no additional revenue is available to fund new positions. Ms. Brewer noted that while the City's financial picture could be better, the City's performance was good from a customer service demand perspective.

Councilor Glassmire said it would be helpful if he could easily discern areas which were more important. In response to his inquiry, Ms. Brewer said General Fund revenues could be spent on almost anything the Council wished, with some limitations. For example, revenues from the Corvallis Rural Fire Protection District are expected to be used for providing fire services and Library District revenues are expected to support the Library. Ms. Brewer confirmed that economic fluctuations affected revenues. Leisure travel decreased during the recession, which adversely impacted transient occupancy taxes. Home building slowed during that time as well, so the number of permits issued decreased substantially. As a result, staff were laid off due to a lack of homes needing inspection. Staff hoped the City's new financial system would include a module to publish requests for proposals online. Not all performance measures are published in the quarterly report. Staff focused on those that were most informative to the Council.

Councilors appreciated the format of the report, noting that although the subject was complex, the report was relatively easy to follow.

IV. STREET MAINTENANCE POLICY

Public Works Director Steckel and Engineering and Transportation Division Manager Gescher displayed oversized photographs depicting a street built to City standards and a street built to County standards (Attachment 1). Ms. Steckel reviewed the staff report, confirmed that private streets were not included on the map that was in the work session packet, and that the survey did not include drainage issues. As a first step in addressing street maintenance equity for unimproved streets, staff suggested amending Municipal Code Section 3.05.030 to eliminate the restriction that limits the use of the Transportation Maintenance Fee (TMF) revenue to pavement preservation on streets built to City standards. Ms. Steckel cautioned that if Council adopted the ordinance, actual practice would not change until additional street funding was identified.

Councilors discussed staff's recommendation to eliminate the Public Works Department policy on street maintenance (Attachment 2). Ms. Steckel said staff wanted to be clear that the Department policy would no longer be used to guide how such services were provided. In response to a question asked about the Municipal Code provision that directs the City to maintain ditches, she said up to this time, staff has performed this activity on arterial and collector streets, not neighborhood streets. Information about who has responsibility for drainage system maintenance was one of the larger issues that needed to be worked through.

Councilor Bull observed that the south side of 35th Street and Harrison Boulevard, which was not entirely improved to City standard, was not showing on the map. Ms. Steckel said staff will take all inputs to make the map more accurate.

In response to Councilor Bull's inquiry, Ms. Steckel said in the last 20 years, there had been very little pavement preservation on local roads. Money generated from the TMF is expended based on a prioritization of streets needing maintenance, regardless of the type of preservation that is necessary. For County-standard streets that have come into the City over time, it was believed that eventually all streets in Corvallis would be improved to City standards. City Manager Shepard noted in the Skyline West annexation, a specific decision was made that abutting property owners would be responsible for any street improvements. There did not appear to be

any deliberate decisions about street standards for other properties that had been annexed. Mr. Shepard confirmed that absent a specific decision, paying for street improvements was the responsibility of the abutting property owners, unless Council decided to change the direction. Mr. Gescher said collector and arterial streets can be eligible for system development charge revenues to cover the cost of added capacity, such as additional street width necessary to accommodate bicycle lanes.

Ms. Steckel confirmed that in place of the Department Policy, Municipal Code language would direct how street maintenance services were provided. Mr. Gescher said factors used to evaluate which streets would be selected for maintenance included the age of the street, the general structure of the street, and the level and of traffic it supports, such as whether it was a transit route. Various pavement preservation treatments, such as crack seal, are used to extend the life of streets for as long as possible, but eventually they will have to be replaced. Ms. Steckel said there are streets within the Corvallis city limits under Benton County jurisdiction that the County does not maintain.

In response to Councilor York's question, staff clarified that language referencing Local Improvement Districts is in Council Policy 7.03, "Assessments - Street Improvements" (Attachment 3), not in the Department policy. Details about Local Improvement District formation are in the Municipal Code.

Councilor Hann observed that sometimes language in policies and ordinances contradict each other, such as open drainage ways, and it was important to be mindful of such circumstances in future discussions.

Councilors supported staff bringing to the June 20 Council meeting the proposed ordinance that was included in the work session packet. Other elements of street standards would be discussed at future meetings. Councilor Hann suggested that Council provide policy direction to staff concerning streets not improved to City standards in future annexations, as new requests will be coming soon. Councilor Bull requested information about the City's current annexation policy.

In response to Councilor Baker's request for understanding how street maintenance is prioritized and projects are developed, Ms. Steckel cautioned that sometimes initial priorities are adjusted based on funding availability.

A copy of Councilor York's memorandum concerning County-standard streets is included with these minutes as Attachment 4.

V. COMMUNITY COMMENTS

Ramon Gonzalez expressed concerns about safety in the Whiteside Drive area given the number of bicycles, school buses, and pedestrians. He said the road was too narrow and inquired about road widths. Mr. Shepard said the width of roads varied and in some places, it may be about the same width as the right-of-way. Mr. Gonzalez believed that everyone should share in the cost of roads. He did not want sidewalks and bicycle lanes in the Whiteside Drive area, as he wished to retain a rural feel. Staff agreed to speak to Mr. Gonzalez about who was responsible for maintaining the roadside vegetative strips.

Will Koenitzer said the unimproved streets issue was complex and it involved emergency vehicle access, parking, lighting, safety, and funding availability, among other factors. He wanted to address the problems as soon as possible and supported establishing a local improvement district. Public Information Officer Rollens agreed to assist Mr. Koenitzer with submitting specific questions to Councilors and or staff.

David Brooks read from prepared testimony concerning unimproved streets (Attachment 5). Mr. Brooks said people in his neighborhood are not on City water, so they rely on storm water to replenish their wells. As such, adding standard pipe drainage to channel storm water is not necessarily a service improvement for those residents. In response to Councilor Hann's inquiry, Mr. Brooks said an enforcement mechanism was never created to address road improvements or ditch maintenance on unimproved roads.


Linda Sward expressed concern about icy conditions on Whiteside Drive during winter months. She wondered who was responsible for maintaining the road and whether a safety survey had ever been conducted for the area. Her neighbors, many of whom are on fixed incomes, were concerned about assessments.

Ed Walsh, who lives in the Skyline West area, recognized the reality of budget constraints and suggested developing a policy that applied a weighted approach to street maintenance. The costs and benefits of certain types of improvements should be considered, as well as how long it had been since an individual street had received any maintenance. He said a chip seal application would help many of the streets and cul-de-sacs in his neighborhood.

VI. ADJOURNMENT

The meeting adjourned at 5:48 pm.

APPROVED:



MAYOR

ATTEST:



CITY RECORDER



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STREET MAINTENANCE POLICY

DEFINITIONS

Improved Street

- A street which has been constructed to City standards complete with curbs and an improved drainage system.

Unimproved Street

- A street which generally does not have curbing and/or an improved drainage system and has not been constructed to City Standard Street Specifications.

It is the policy of the City to maintain all public streets in the City's street system. Different levels of maintenance will be established for different functional classes of roadway, i.e. arterial, collector, residential, private. Maintenance services will vary depending on the type of roadway, i.e. improved or unimproved. Specific policies are as follows:

ALL PUBLIC STREETS

- Provide signing as warranted
- Provide lighting as warranted
- Stripe as appropriate

UNIMPROVED STREETSGRAVEL STREETS

- Provide sufficient crushed rock to maintain a wearing surface adequate for grading.
- Grade roadway seven times per year.
- Dust palliative will be used on gravel streets only if requested and paid for by abutting or affected property owners.

PAVED RESIDENTIAL STREETS (NOT TO STANDARDS)

- Repair localized failures

PAVED ARTERIAL/COLLECTORS (NOT TO STANDARDS)

- Repair localized failures
- Grade shoulders
- Clean roadside ditches periodically
- Mow roadsides annually as necessary
- Major repair/overlay/slurry as needed

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IMPROVED STREETS

RESIDENTIAL STREETS

- Fully maintain and repair
- Sweep
- Clean catch basins
- Slurry seal as warranted
- Overlay/reconstruct if necessary to sustain service

ARTERIAL/COLLECTORS

- Fully maintain and repair
- sweep
- clean catch basins
- overlay as warranted
- reconstruct to assure continuing service

PRIVATE STREETS

- Private streets or roadways will not be maintained by the City.

SR/eao

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 7 - COMMUNITY IMPROVEMENTS

CP 91-7.03 **Assessments – Street Improvements**

<u>Adopted</u>	<u>July 10, 1989</u>
Affirmed	October 7, 1991
Revised	November 6, 1995
Revised	November 1, 1999
Affirmed	October 20, 2003
Affirmed	October 15, 2007
Revised	November 7, 2011

7.03.010 **Purpose**

To establish guidelines for determining assessment charges for street improvement projects

7.03.020 **Policy**

7.03.021 **Local Streets**

- a. The function of local streets is to provide access and service to adjacent property. Adjacent residential property derives benefit from local street improvements through access, ability to develop, parking, drainage, and safety. These benefits are provided in a typical 28-foot-wide street improvement which includes surfacing, curbs and gutters, and drainage.
- b. Commercial, industrial, and institutional properties derive the same level of benefit from a local street as described above. Some commercial, industrial, and institutional developments require a street wider than 28 feet to safely accommodate higher traffic volumes and larger vehicles.

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- c. Based on the finding of benefit, residential properties adjacent to local streets will be assessed the cost of improvements for actual street width up to a total width of not more than 28 feet. Commercial, industrial, and institutional properties will be assessed the equitable and fair cost of improvements for street width needed to serve them.
- d. Property owners are responsible for constructing and maintaining sidewalks along public streets in accordance with Corvallis Municipal Code Chapter 2.15.

7.03.022 Arterial and Collector Streets

- a. The function of arterial and collector streets is to move large volumes of traffic in an effective way. The arterial and collector street system is identified within the Corvallis Transportation Plan.
- b. Since arterial and collector streets carry higher volumes of traffic than local streets, different standards are used for improvements. These standards include additional traffic lanes, pavement thickness, turn lanes, traffic signals, bike lanes, landscaping, and lighting. Adjacent property benefits from arterial and collector street improvements much the same as being adjacent to a local street, since the improvements provide access and ability to build. The community as a whole benefits from bike lanes, which provide alternate modes of transportation, and other extra capacity features, such as turn lanes, which move traffic more efficiently.
- c. Based on the finding of benefit, residential properties adjacent to arterial and collector streets, with the exception of developed single-family residential properties existing at the time of street improvements within RS-3.5, RS-5, or RD-6 districts as approved by community vote on May 16, 1989, will be assessed proportionate improvement costs equal to the actual width of one lane in each direction plus the width of any on-street parking up to a total width of not more than 28 feet. The exception of single-family residences as described above does not negate the City's ability to collect recovery charges for public improvements from an established Zone of Benefit or Infrastructure Cost Recovery Charges as provided for in Corvallis Municipal Code Chapters 2.16 and 2.18.
- d. Based on the finding of benefit, commercial, industrial, and institutional properties adjacent to arterial and collector streets will be assessed proportionate improvement costs equal to the full

width of the street except as reduced for extra capacity as covered in Section 7.03.023.

7.03.023 Adjacent Property Obligation

- a. Each property shall contribute to the cost of adjacent street improvements made to an appropriate urban standard. These costs will be proportionate to the benefit received. The contribution shall be made through a property assessment levied at the time of the improvement.
- b. This contribution shall be a one-time obligation with the community being responsible for extra-capacity costs and recurring maintenance, re-construction, and operation costs following improvement to an appropriate urban standard.

7.03.024 Funding Sources for Street Improvements

- a. Funding for street improvements shall be derived from a variety of sources and be consistent with benefit and obligation. The full amount of revenue derived from property assessments shall be the first source of funding utilized for street improvements.
- b. Remaining street improvement costs are a general obligation of the community and will be derived from appropriate sources, including street SDC funds, Federal and State highway funds, grants, current street fund revenues, property tax supported bonds, or other sources.

7.03.025 Method of Street Assessment

- a. Total project costs to be assessed are distributed to benefitted properties on the basis of frontage and area. The cost per front foot shall be computed by dividing one-half of the total cost by the length of property fronting the improvement. The cost per square foot shall be computed by dividing one-half the total cost by the total square footage to be assessed.
- b. The improvement district boundary shall be the benefitting area which extends one lot deep from the improved street. For purposes of this Policy, a lot is defined as the area of land typically associated with the land-use designation. On corner lots, the area benefitting shall be the area bounded by the property line fronting the street, a line drawn from the intersection corner to the interior corner of the lot, and the interior lot line.

- c. Assessments of peculiar areas which do not fit the typical assessment method shall be made by methods equitable under the existing conditions.
- d. It is the intention of the City Council that no person would lose ownership of that person's owner-occupied home as a result of foreclosure to collect an assessment lien for a City-initiated process to form an arterial or collector street improvement district.

7.03.030 Review and Update

This Community Improvement Policy shall be reviewed by the Public Works Director every four years in October and updated as appropriate.

Memo to City Council

From Penny York, 6/7/2016

Subject: County-Standard Streets

- This is a very significant issue in Wards 1, 3 & 8 where whole neighborhoods are affected. There are county-standard streets in all wards of the City.
- I agree that the first step is to revise the Municipal code to treat these streets the same as any neighborhood or neighborhood collector street – eligible for City funds for routine maintenance.
- The next step will be to look more broadly at the issues of maintenance and infrastructure needs in the areas served by these roads. Of course that will require considering options for funding that may include property owners, and city, county, state and federal resources. Also we will need to consider all City streets, and incorporate ADA requirements as street improvements are planned and constructed.
- Another area of policy to consider is how we will bring county-standard streets into the city during future annexations. How, when, and under what standards will infrastructure improvements be considered or required? How will maintenance and improvements be funded?
- In the past county-standard infrastructure maintenance and improvements have been framed as an either/or issue. Adjacent property owners have been told they are on their own to contract and pay for a full street upgrade, similar to new, greenfield development –or- they bear full responsibility to pay all costs related to preventing the deterioration of their streets. This regardless of the facts that:
 - A full upgrade is virtually impossible in some areas due to topography and natural features.
 - A full upgrade is undesirable to many in these more rural areas, unnecessary to provide adequate drainage to preserve the integrity of the street bed, and extremely costly.
 - The areas have existing streets, many of which were in good condition when they became City streets. These property owners HAVE paid for road infrastructure.
 - Deterioration of the streets in some cases has been similar to that of other neighborhood streets in the City and is not unique to county-standard streets.
 - The city may have had a responsibility to maintain the drainage ditches but in some areas has not. This may have contributed to faster deterioration of some streets.
 - In some places there has been poor quality work done in patching over utility work, or inadequate prep work done for some maintenance projects.
 - These streets, particularly the neighborhood collectors, serve more than just the residents who live in the area. They also serve an emergency management purpose and a commercial function.
 - These streets should also be considered part of the City's network of alternative transportation – carrying cyclists and pedestrians (some local residents and some traveling through the area), and providing access to transit.

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- The policies related to options for property owners and neighborhoods, and for who pays for what, need to be Council policies. Those affected, directly or indirectly, need to have a say.
- The past policy of considering these issues on a street-by-street basis needs to be reconsidered. Certainly in the Brooklane/Country Club area this doesn't work. It doesn't consider the fact that certain streets are used by all, carry more trips, and may need different infrastructure and levels of maintenance. The burden for paying for this difference should be shared as well as the opportunity to participate in the decisions about what needs to be done.
- After policy is developed that reflects the realities of existing conditions, access and safety needs, and funding, neighborhood infrastructure plans will need to be developed. This is a long term need. The city will need to take the lead. It seems likely that within a neighborhood there may be different improvements needed on key collectors and intersections. Funding may include Local Improvement Districts as well as government resources. Bonding and other options will need to be considered. Capturing this planning need should be included in the new Transportation Service Plan.

DAVID BROOKS

Skyline West Neighborhood Association comments to the 6/7/16 City Council work session

Because we've had the opportunity to meet with nearly all of you individually to discuss street maintenance, unimproved streets and our ideas for Council action we'll be brief. These comments build on those discussions as well as react to the materials prepared for you by Public Works staff. We will also comment on the SBTF discussion because funding is an important element of the street maintenance challenge.

What began for us as an issue of maintenance for the unimproved streets in our neighborhood has evolved into an effort to have the concerns of our neighborhood addressed in the context of a more comprehensive—and effective—approach toward maintenance of all city streets. We now understand that the issues of unimproved streets are a special case of neglected maintenance of all local streets.

In the course of our work on these issues we were surprised to discover that there is no Council policy on street maintenance. To be clear: we are not preoccupied with having a policy simply for the sake of appearances; we want practical results. And our confidence in the value of having a policy is undermined by the discovery that some department practices are inconsistent with existing Council policy regarding storm water drainage maintenance as reflected in municipal code. Nevertheless, we think the starting point for long-overdue action to address deferred street maintenance is having the Council demonstrate the importance of the issue and act to eliminate the inconsistencies in practice and gaps in code.

Before highlighting the elements of our proposal, we want to make a few comments on the staff report and proposal.

First, the staff report presents a mixed message about unimproved streets: the report explains that current practice is based on the premise that County-standard streets are "likely to require more maintenance expenditure over time..." However, this is an assumption; in fact these streets have endured remarkably well in spite of the absence of maintenance.

The report asserts that "continued investment in streets not improved to City standard could impact the City's ability to address street maintenance across the entire system." We disagree—this is another assumption not supported by evidence. Unimproved streets are not the reason there has been no maintenance for local streets built to City standard.

However, recommendation #1 recognizes that the current practice is not sustainable and that investment now (i.e., maintenance) may postpone or reduce the need for larger investments in the future. We agree, and we want to emphasize that this applies to all City streets, not just unimproved streets.

Although the recommendation is to make unimproved streets eligible for maintenance, the staff report makes it clear that the staff wants all streets to be "improved" to City standards. In

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contrast, the public meetings made it clear that residents of neighborhoods with legacy, County-standard streets overwhelmingly do not want these improvements.

Regarding the specific recommendation to modify section 3.050.030 to remove the restriction on the use of TMF, we agree—but this doesn't do enough. It's a necessary but not a sufficient step. And it is not just that—as the report makes clear---that actual practice will not change if the code is amended as proposed.

Simply removing the restriction on the use of TMF is only a piece of what's needed for a policy; it leaves in place other inconsistencies and contradictions. With the proposed addition of “arterial and collector streets will have priority access to the available funding”, it is less likely that local streets—of any kind—will be maintained.

The proposal is a piecemeal approach to a problem that requires more from the Council. What's needed is a clear, comprehensive and consistent Council policy that addresses all of the aspects of street maintenance.

We've provided copies of our ideas for the elements of a policy as well as a suggested draft. The essential elements include recognition that maintenance must include both pavement and drainage, commitment to regular assessments of road and drainage conditions and establishing a “rural legacy street” standard.

There are many practical benefits that would result from a comprehensive policy, including providing clear guidance for staff and a strong message to residents that infrastructure maintenance is a priority. That sets the stage for addressing the funding challenge. A strong Council policy, in conjunction with other changes, provides a basis for public support for raising the TMF to a level that generates funds adequate to maintain local streets.

The current approach has been eroding our confidence in the equity and effectiveness of the city services fees; the proposed change in 3.050.030 will help, but by itself it isn't enough. The most important change needed is that we see tangible results: regular, effective street and drainage maintenance.

To summarize: in our view the first step is a strong Council policy on street maintenance that explicitly recognizes the importance of the issue as well as the essential elements (pavement plus drainage). What we are advocating is not a complicated undertaking and the Council should be able to do this quickly. In the context of this policy the Council should recognize the existence and value of rural legacy streets—their importance to residents of these streets and their contribution to the diversity of Corvallis.

We'll stop at this point and welcome questions and discussion.